

**ROCHE HARBOR RATE
ANALYSIS**

| | REVENUES | Per Books 31- Dec-07 | RESTATE ADJ | ADJUSTMENT # | PER BOOK ADJ | PROFORMA ADJ | ADJUSTMENT # | PROFORMA BEFORE | PROPOSED RATES | PROPOSED RATES - EFFECT |
|--|-------------------------------|-------------------------|----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-------------------|-------------------------------|
| | Ready to Serve | \$8,535 | | | \$8,535 | | | \$8,535 | | \$8,535 |
| | Metered Water | \$293,193 | | | \$293,193 | | | \$293,193 | \$123,462 | \$416,655 |
| | Water Late Charges | \$2,473 | | | \$2,473 | | | \$2,473 | | \$2,473 |
| | Miscellaneous | \$3,192 | | | \$3,192 | | | \$3,192 | | \$3,192 |
| | OPERATING REVENUE | \$307,393 | | | \$307,393 | | | \$307,393 | | \$430,855 |
| | EXPENSES | | | | | | | | | |
| | Management | \$40,065 | | | \$40,065 | \$1,563 | PA-01 | \$41,628 | | \$41,628 |
| | Labor | \$42,266 | \$21,653 | RA-01 | \$63,919 | \$24,989 | PA-01/02 | \$88,908 | | \$88,908 |
| | Payroll Tax | \$15,433 | \$3,898 | RA-01 | \$19,331 | \$4,804 | PA-01/02 | \$24,135 | | \$24,135 |
| | Health Insurance | \$5,404 | \$2,234 | RA-01 | \$7,638 | \$2,586 | PA-02 | \$10,224 | | \$10,224 |
| | Labor - Water Office | \$23,600 | | | \$23,600 | \$920 | PA-01 | \$24,520 | | \$24,520 |
| | Water Staff Bonus | \$1,325 | | | \$1,325 | | | \$1,325 | | \$1,325 |
| | Water Treatment - Chemicals | \$25,770 | | | \$25,770 | | | \$25,770 | | \$25,770 |
| | Water Testing | \$11,997 | \$1,547 | RA-04 | \$13,544 | \$2,700 | PA-06 | \$16,244 | | \$16,244 |
| | Water Treatment - Other | \$4,081 | | | \$4,081 | | | \$4,081 | | \$4,081 |
| | Mowing and Grounds Clean Up | \$4,004 | | | \$4,004 | | | \$4,004 | | \$4,004 |
| | Repair Materials | \$42,724 | | | \$42,724 | | | \$42,724 | | \$42,724 |
| | Repair - Other | \$9,481 | | | \$9,481 | | | \$9,481 | | \$9,481 |
| | Utilities - Electric | \$8,447 | | | \$8,447 | \$338 | PA-04 | \$8,785 | | \$8,785 |
| | Bank Charges | \$2 | | | \$2 | | | \$2 | | \$2 |
| | Postage | \$2,964 | | | \$2,964 | | | \$2,964 | | \$2,964 |
| | B&O Tax Expense | \$30,636 | | | \$30,636 | | | \$30,636 | \$6,531 | \$37,167 |
| | Taxes - Property | \$6,791 | | | \$6,791 | | | \$6,791 | | \$6,791 |
| | Continuing Education | \$2,960 | | | \$2,960 | | | \$2,960 | | \$2,960 |
| | Dues and Subscriptions | \$558 | | | \$558 | | | \$558 | | \$558 |
| | Freight and Ferry | \$621 | | | \$621 | | | \$621 | | \$621 |
| | Gas and Mileage Reimbursement | \$5,936 | \$4,612 | RA-01 | \$10,548 | \$7,232 | PA-02/03 | \$17,780 | | \$17,780 |
| | Office Supplies | \$6,812 | | | \$6,812 | | | \$6,812 | | \$6,812 |
| | Licenses and Permits | \$2,476 | | | \$2,476 | | | \$2,476 | | \$2,476 |
| | Donations | \$919 | (\$919) | RA-02 | \$0 | | | \$0 | | \$0 |
| | Insurance | \$8,594 | | | \$8,594 | | | \$8,594 | | \$8,594 |
| | Legal - Professional Services | \$9,751 | | | \$9,751 | | | \$9,751 | \$247 | \$9,998 |
| | Loan Fees - Islanders Bank | \$250 | | | \$250 | | | \$250 | | \$250 |
| | Travel - Trip Expense | \$740 | | | \$740 | | | \$740 | | \$740 |
| | Meals - Entertainment | \$3,138 | | | \$3,138 | | | \$3,138 | | \$3,138 |
| | Safety Meetings | \$552 | | | \$552 | | | \$552 | | \$552 |
| | Phone | \$2,339 | | | \$2,339 | | | \$2,339 | | \$2,339 |
| | Other Expense | \$678 | | | \$678 | \$361 | PA-02 | \$1,039 | | \$1,039 |
| | Depreciation Expense | \$14,667 | | | \$14,667 | | | \$14,667 | | \$14,667 |
| | Rate Case | | \$1,100 | RA-03 | \$1,100 | \$1,000 | PA-05 | \$2,100 | | \$2,100 |
| | OPERATING EXPENSE | \$335,981 | | | \$370,106 | | | \$416,599 | | \$423,377 |

ROCHE HARBOR RATE ANALYSIS

| | | | | | | | | | |
|-----------------------|---------------|--|--|---------------|--|--|--|---------------|---------------|
| Op. Ex. - Op. Rev. | (\$28,588) | | | | | | | | \$7,478 |
| Interest Expense | \$6,633 | | | \$6,633 | | | | | \$6,633 |
| Fed Income Tax - .15% | | | | | | | | | |
| TOTAL EXPENSE | \$342,614 | | | \$376,739 | | | | \$423,232 | \$430,010 |
| INCOME (LOSS) | (\$35,221) | | | (\$69,346) | | | | (\$115,839) | \$845 |
| UTIL PLANT IN SERV | \$2,393,301 | | | \$2,393,301 | | | | \$2,393,301 | \$2,393,301 |
| ACCUM DEPRECIATION | (\$184,742) | | | (\$184,742) | | | | (\$184,742) | (\$184,742) |
| GIAC PLANT IN SERV | (\$1,101,731) | | | (\$1,101,731) | | | | (\$1,101,731) | (\$1,101,731) |
| ACCUM AMORTIZATION | \$98,318 | | | \$98,318 | | | | \$98,318 | \$98,318 |
| NET RATE BASE | \$1,205,146 | | | \$1,205,146 | | | | \$1,205,146 | \$1,205,146 |
| RATE OF RETURN % | | | | | | | | | |
| Customer Count | 563 | | | | | | | | |

Note: Reg Fee booked in this account

Conversion Factor

0.00200 WUTC Reg Fee

0.05029 Utility Tax

0.05229

Revenue Needed

\$115,067 Loss

1.052290 Conversion Factor

\$121,084